

# HOUSE BILL REPORT

## HB 1588

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**As Reported by House Committee On:**  
Economic Development, Agriculture & Trade

**Title:** An act relating to tourism promotion.

**Brief Description:** Using television advertising to promote tourism in Washington.

**Sponsors:** Representatives Condotta, Linville, Kristiansen, Pettigrew, Kretz, Haler, Morrell, Williams, Eickmeyer, Anderson, Clibborn, Lovick, Chase, McCoy, McDonald and Dunn.

**Brief History:**

**Committee Activity:**

Economic Development, Agriculture & Trade: 2/22/05, 3/2/05 [DPS].

### Brief Summary of Substitute Bill

- Directs the Department of Community, Trade and Economic Development to implement a regional television campaign to promote tourism opportunities in Washington.

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## HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT, AGRICULTURE & TRADE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 22 members: Representatives Linville, Chair; Pettigrew, Vice Chair; Kristiansen, Ranking Minority Member; Skinner, Assistant Ranking Minority Member; Blake, Buri, Chase, Clibborn, Condotta, Grant, Haler, Holmquist, Kenney, Kilmer, Kretz, McCoy, Morrell, Newhouse, Quall, Strow, P. Sullivan and Wallace.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Dunn.

**Staff:** Tracey Taylor (786-7196).

### Background:

The travel industry has an important role in Washington's economy. Spending by visitors generates sales in lodging, food service, recreation, transportation, and retail businesses. As an export-oriented industry, the travel industry contributed \$4.8 billion to Washington's Gross State Product (GSP) in 2003. A high proportion of the travel industry GSP is comprised of payments to employees. The travel industry also generates a high proportion of tax revenue in relation to its GSP.

The Department of Community, Trade and Economic Development (DCTED) has the responsibility to expand the tourism industry in Washington. In working with public and private tourism development organizations, the DCTED is tasked with promoting Washington as a tourism destination to national and international markets. In addition, the DCTED must coordinate the development of a statewide tourism and marketing plan.

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**Summary of Substitute Bill:**

The DCTED is directed to implement a regional television tourism campaign. The television campaign must feature tourism opportunities in both western and eastern Washington. Only 15 percent of an appropriation from the tourism development and promotion account for a national and international television promotion may be spent on overhead and staff costs.

**Substitute Bill Compared to Original Bill:**

The substitute directs the DCTED to implement a regional television campaign to promote tourism instead of a national campaign. The substitute also removes the appropriation as well as the requirement that the DCTED spend the greater of \$3.5 million or 33 percent of its total tourism fund if no additional money is appropriated in the 05-07 Operating Budget for a television campaign.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** (In support of original bill) Tourism is Washington's fourth largest industry, yet Washington ranks 48 out of 50 states in promoting tourism. Washington has a good Internet and print campaign, but the state's tourism opportunities need to be marketed more outside of the state. Television provides an excellent medium to reach outside markets. The intent is to try out some additional regional markets to attract additional tourists from outside the state. This makes good sense and is not a huge jump from the current tourism promotion and development campaign.

For every dollar in tourism promotion, \$39 in revenue is generated. This is a smart investment and provides economic development for rural Washington. This will also help retain existing Washington businesses.

(With concerns on original bill) This bill significantly ties hands of the DCTED's Tourism Division.

**Testimony Against:** (Opposed to original bill) Although the sentiment behind the bill is appreciated, as written the bill presents significant problems. A national campaign would

require at least \$18.2 million in funding for the biennium and this would not be a "major" campaign. The Web site has proven to be a significant marketing tool. Perhaps a television campaign will not get us the "best bang for the buck." Also, there is a current marketing partnership with Belo-King 5. For \$220,000 of the tourism development and promotion budget, the state gets 40 segments on "Northwest Backroads."

**Persons Testifying:** (In support of original bill) Representative Condotta, prime sponsor; Hank Manriquez, Cascade Foothills Farmland Association; Nancy Smith, Leavenworth Chamber of Commerce; and Craig Larsen, Wenatchee Valley Chamber of Commerce.

(With concerns on original bill) Jean Leonard, Washington Wine Institute.

(Opposed to original bill) Peter McMillin, Department of Community, Trade and Economic Development; Ruthie Reinert, Tacoma Regional Convention and Visitors Bureau; and Becky Bogard, Washington Association of Convention and Visitors Bureaus.

**Persons Signed In To Testify But Not Testifying:** None.